

**COUNTY OF SAN LUIS OBISPO BOARD OF SUPERVISORS  
AGENDA ITEM TRANSMITTAL**

(1) DEPARTMENT Information Technology	(2) MEETING DATE 5/24/2016	(3) CONTACT/PHONE Daniel Milei 781-5072	
(4) SUBJECT Request to approve a FY 2016-17 contract change order not to exceed \$280,000 with EMC <sup>2</sup> to provide extended warranty services for a maximum of 12 months to support the recently modernized County Property Tax System. All Districts.			
(5) RECOMMENDED ACTION It is recommended that the Board approve a contract change order that will provide for extended warranty services through the implementation phase, including the critical Roll Turn/Merge period.			
(6) FUNDING SOURCE(S) Property Tax System Modernization Project funds (Countywide Automation)	(7) CURRENT YEAR FINANCIAL IMPACT \$280,000 (from existing project funds)	(8) ANNUAL FINANCIAL IMPACT \$0.00	(9) BUDGETED? Yes
(10) AGENDA PLACEMENT <input checked="" type="checkbox"/> Consent <input type="checkbox"/> Presentation <input type="checkbox"/> Hearing (Time Est. ____ ) <input type="checkbox"/> Board Business (Time Est. ____ )			
(11) EXECUTED DOCUMENTS <input type="checkbox"/> Resolutions <input checked="" type="checkbox"/> Contracts <input type="checkbox"/> Ordinances <input type="checkbox"/> N/A			
(12) OUTLINE AGREEMENT REQUISITION NUMBER (OAR) N/A		(13) BUDGET ADJUSTMENT REQUIRED? BAR ID Number: N/A <input type="checkbox"/> 4/5 Vote Required <input type="checkbox"/> N/A	
(14) LOCATION MAP N/A	(15) BUSINESS IMPACT STATEMENT? No	(16) AGENDA ITEM HISTORY <input type="checkbox"/> N/A    Date: <u>December 18, 2012, item#9</u>	
(17) ADMINISTRATIVE OFFICE REVIEW Lisa M. Howe			
(18) SUPERVISOR DISTRICT(S) All Districts			

# County of San Luis Obispo



TO: Board of Supervisors

FROM: Information Technology / Daniel Milei  
781-5072

DATE: 5/24/2016

SUBJECT: Request to approve a FY 2016-17 contract change order not to exceed \$280,000 with EMC<sup>2</sup> to provide extended warranty services for a maximum of 12 months to support the recently modernized County Property Tax System. All Districts.

## **RECOMMENDATION**

It is recommended that the Board approve a contract change order that will provide for extended warranty services through the implementation phase, including the critical Roll Turn/Merge period.

## **DISCUSSION**

The Board of Supervisors' adopted Gartner 2002 Information Technology Strategic Plan recommended that the County move off of the mainframe and onto Windows/Intel and Microsoft Corporation-based commercial-off-the-shelf applications and platforms. The County of San Luis Obispo Information Technology Strategic Plan of 2008 included several initiatives including a final one to "Document the agreed approach to implementing a new Property Tax System." This initiative was completed in FY 2010-11 and recommended that the County "modernize" the Property Tax system by moving it to a new computing environment. The County contracted with EMC<sup>2</sup> on December 18, 2012 for professional services to migrate the County's mainframe based Property Tax applications and data using automated conversion tools to a modern Windows/Intel Server platform and Microsoft SQL Server database.

The initial term of the contract was to expire June 30, 2016. The project has lasted longer than anticipated and therefore, with the authority stated in that contract which delegates the ability to extend the contract for up to one year to the County's Information Technology Director, the contract has been extended through June 30, 2017.

During the course of the project, with Steering Committee approval and the use of existing project funds, the contract was modified to provide additional professional services to guarantee and safeguard access to knowledgeable and skilled technical resources and tooling from the vendor EMC<sup>2</sup>. With the help of these resources, the project was able to successfully implement the modernized Property Tax System on April 26, 2016. EMC<sup>2</sup> continues to actively assist the IT resources supporting this system by providing access to the tooling, knowledge of the system's architecture, and continuing a history of providing timely code fixes alongside the County's IT technical staff, all while the system is in use by County departments.

This change order extends, for a minimum of two months and up to one year, continued access to the additional professional services to guarantee and safeguard access to the knowledgeable and skilled technical resources and tooling from the vendor EMC<sup>2</sup>. The expectation is that these services will only be needed through the Roll Turn/Merge time period from July through September, and the ITD development team gained sufficient expertise to fully support the system. However should additional help be needed, this change order will guarantee the resources remain available from EMC<sup>2</sup> and not reassigned to a new project for up to a full year. A full year will cover all phases of the annual property tax cycle.

The two County departments who actively use this system include the Assessor and Auditor-Controller-Treasurer-Tax-Collector. Property Tax Bills are prepared and payments processed through this system, collecting over \$510,000,000 in taxes in FY 2014-15. As these departments enter the critical Roll Turn/Merge timeframe, this change order will insure the ability of the County IT technical staff to support it. The Roll Turn/Merge process must complete on time according to the California State Revenue and Taxation Code. Specifically, Property Taxation Part 2, Assessment, Chapter 3, Article 6, section 616 states 'On or before July 1, annually, the assessor shall complete the local roll.' Furthermore, Property Taxation Part 5, Chapter 2, Section 2601 of the same code states 'On or before the fourth Monday in September, the auditor shall deliver the secured roll to the tax collector'. Additional periods of tax billing and payment processing extend through the end of the calendar year for the two departments.

### **OTHER AGENCY INVOLVEMENT/IMPACT**

The project team includes members from the Information Technology, Assessor and Auditor-Controller-Treasurer-Tax-Collector (ACTTC) departments. The project team recommended to the Steering Committee, made up of the IT Department, Assessor, ACTTC and Administrative Office, that this change order was needed, and the Steering Committee approved it. County Counsel has reviewed the change order for form and legal effect.

### **FINANCIAL CONSIDERATIONS**

No additional funding is being requested. The cost of this change order will be absorbed by funds remaining in the project originally allocated from the FC 266- Countywide Automation Fund. The total change order of \$280,000 consists of professional services billed at \$22,500 per month, at a minimum of 2 months and maximum of 12 months for a total of \$270,000, and travel not to exceed \$10,000. Travel will be reimbursed according to County Travel Policies.

The actual cost for services will be dependent upon the number of months this contract change order remains in place. After a minimum duration of 2 months, the County has the right to cancel by providing a 30-day written notice to EMC<sup>2</sup>. It is anticipated that the County will utilize these services for 3 months from July through September 2016 at a cost of \$67,500 plus travel, if any.

### **RESULTS**

This extension of warranty services will result in:

- Continued timely access to the tools used to convert the Property Tax code during the Property Tax System Modernization (PTSM) project, which EMC<sup>2</sup> developed and owns. The County is dependent upon these tools until the code is proven stable through a year of its use, or until such time as the County ITD's technical staff feel confident they can support the system without them. The original contract states that the County does not have rights to own the tools as these tools are proprietary to EMC<sup>2</sup>.
- Continued guaranteed support from a dedicated technical resource from EMC<sup>2</sup> who is familiar with the tools and the architecture of the modernized Property Tax System, and who can deliver support and answer technical questions within half a business day.

The Property Tax System is critical to providing accurate, timely property tax information to and processing of payments from County citizenry, which meets the County's Community-wide results for a Well-Governed Community: "The County will provide high quality "results oriented" services that are responsive to community desires."

### **ATTACHMENTS**

1. Contract Change Order between the County of San Luis Obispo and EMC2